



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL
RESOURCES
OFFICE OF CONSERVATION

THOMAS F. HARRIS
SECRETARY

RICHARD P. IEYOUB
COMMISSIONER OF CONSERVATION

April 25, 2022

Joshua Bradley
Eagle US 2, LLC (E208)
1300 PPG Drive
Westlake, LA 70669

Re: PPG No. 006-X, SN 57788 (Cavern Code No. 10-01-05);
PPG No. 006-Y, SN 58711 (Cavern Code No. 10-01-05);
PPG No. 006-Z, SN 971287 (Cavern Code No. 10-01-05);
PPG No. 007A, SN 67269 (Cavern Code No. 10-01-06);
PPG No. 007B, SN 67270 (Cavern Code No. 10-01-06);
PPG No. 007C, SN 971288 (Cavern Code No. 10-01-06)
Sulphur Mines Salt Dome (8759), Calcasieu Parish, Louisiana

***** COMPLIANCE ORDER NO. IMD 2022-027 *****

Dear Mr. Bradley:

This Compliance Order is issued under the general authority of the Minerals, Oil and Gas and Environmental Quality Law, LA R.S. 30:1 *et seq*, and under the specific authority set forth in Sections 6G and 18 thereof.

FINDINGS OF FACT

It has been determined that Eagle US 2, LLC (Eagle) has violated the Conservation Law and regulations there under, specifically LAC 43:XVII.Chapter 33 (Statewide Order No. 29-M-3), in the following particulars.

1. That Eagle is the current operator-of-record for the following caverns at the Sulphur Mines salt dome facility:

| SERIAL NUMBER | WELL NAME/NO. | CURRENT STATUS | STATUS DATE |
|---------------|---------------|----------------|-------------------|
| 57788 | PPG No. 006-X | Inactive | February 19, 2015 |
| 58711 | PPG No. 006-Y | Dry & Plugged | July 13, 2017 |
| 971287 | PPG No. 006-Z | Dry & Plugged | July 19, 2017 |
| 67269 | PPG No. 007A | Dry & Plugged | October 23, 2018 |
| 67270 | PPG No. 007B | Inactive | February 19, 2015 |
| 971288 | PPG No. 007C | Dry & Plugged | October 23, 2018 |

2. That a Work Permit, Application Number 42953, was issued to Eagle on December 1, 2021, for Serial Number 57788 (PPG 006-X) to perform logging, a mechanical integrity test, and a sonar caliper survey with directional shots.
3. That beginning on December 28, 2021, data show that caverns PPG 006-A and PPG 007B experienced a sustained pressure decrease indicating the loss of mechanical integrity.
4. That Eagle knew or should have known that the sustained pressure decrease in caverns PPG 006-X and PPG 007B indicated a loss of mechanical integrity beginning on or about December 28, 2021.
5. That Eagle did not provide 24-hour notification of the apparent loss of mechanical integrity for either cavern, violating the reporting requirements mandated in LAC 43:XVII.3309.I.8.
6. That pursuant to La R.S. 30:18(A)(6), the penalty for non-compliance is \$32,500 per day per violation.
7. That on January 6, 2022, nine days after the onset of sustained pressure loss, Injection and Mining Division (IMD) was verbally notified by Eagle that neither cavern (PPG 006A and PPG 007B) had mechanical integrity, violating the requirements of LAC 43:XVII.3309.F.
8. That on January 13, 2022, Eagle hosted a video conference call with IMD staff and identified a “pressure event” that caused a brief pressure change simultaneously in all or most caverns operated by Eagle at the Sulphur Mines salt dome on or about December 28, 2021.
10. That on March 10, 2022, Eagle submitted a summary letter with a near-term action plan to further investigate the pressure events in caverns PPG 006-X and PPG 007B.

ORDERS

Under the statutory authority cited above, Eagle is hereby ordered to comply with the following:

1. Eagle is ordered to pay a Civil Penalty in the amount of **\$32,500.00** in reference to PPG 006-X (SN 57788) for the failure to provide the required 24-hour notice and the required 5-day written summary for the loss of mechanical integrity in accordance with LAC 43:XVII.3309.I.8.
2. Eagle is ordered to pay a Civil Penalty in the amount of **\$32,500.00** in reference to PPG 007B (SN 67270) for the failure to give the required 24-hour notice and the required 5-day written summary for the loss of mechanical integrity in accordance with LAC 43:XVII.3309.I.8.
3. Payment of the total Civil Penalty of **\$65,000.00** shall be made online or by check and made out to the Office of Conservation and shall be received no later than 20 days from your receipt of this Order. Please submit your payment with the attached invoice. Eagle is ordered within 60 days to prepare and submit a robust plan to determine the source of anomalous pressure in all affected caverns.
4. Eagle is ordered within 60 days to prepare and submit a plan to evaluate historical and current subsidence at the Sulphur Mines salt dome using InSAR subsidence monitoring.

5. Eagle is ordered within 60 days to prepare and submit a plan to monitor seismic activity on and around the Sulphur Mines salt dome.
6. The Commissioner of Conservation reserves the right to require further investigative and remediation actions as may be deemed necessary.
7. The Commissioner reserves the right, pursuant to La R.S. 30:1 et seq., more specifically La R.S. 30:18(A)(6), to levy additional civil penalties or other sanctions as provided by law.

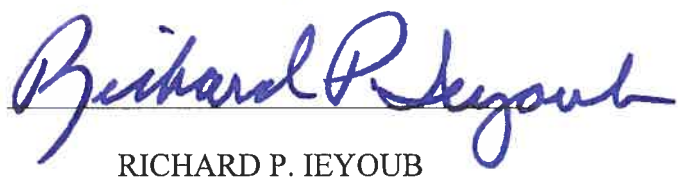
All documents prepared by Eagle in response to this Order shall be submitted to Stephen H. Lee, Director of the Injection and Mining Division. Please reference the order number (IMD 2022-027).

Failure to comply with this Order shall subject Eagle to additional civil penalties of not more than \$32,500 per day for each day of continuing violation and for each individual violation as provided in RS 30:18 in addition to any other appropriate regulatory sanctions as provided by law.

Within seven days of receipt of this Compliance Order, Eagle may make a written request for an informal conference with the Commissioner and Conservation staff at no charge. Within twenty days of receipt of this Compliance Order, Eagle may make a written request for a public hearing in accordance with La R.S. 30:6(G) and 8. A public hearing request must be accompanied by a check or money order in the non-refundable amount of \$755 as provided by Statewide Order 29-R-18/19 (LAC 43:XIX.Chapter 7), or the request for a hearing will not be considered. If a public hearing is requested, a request for an informal conference will be denied.

Should Eagle have any questions concerning this Compliance Order, please contact Stephen Lee at (225) 342-5569 or by e-mail at Stephen.Lee@la.gov.

ISSUED THIS DATE PURSUANT TO LAW April 27, 2022.



RICHARD P. IEYOUB

COMMISSIONER OF CONSERVATION

RPI:SHL:cs/lc

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| CERTIFIED MAIL RETURN RECEIPT REQUIRED ARTICLE NO. 7001 2510 0001 3148 3288 |
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STATE OF LOUISIANA
DEPARTMENT OF NATURAL RESOURCES
Office of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-9275

EAGLE US 2 LLC
1300 PPG DRIVE
WESTLAKE
C01E208

LA 70669

When remitting, please refer to:

Invoice Number **1249231**
Security Code **60966**
PAYABLE UPON RECEIPT

Invoice Date: **04/27/2022**

| Description | Amount |
|-----------------------------|--------------------|
| U.I.C. VIOLATIONS & FINES | 65,000.00 |
| Total Invoice Amount | \$65,000.00 |

ORDER NO: 2022-027

*** ONLINE PAYMENTS AVAILABLE!**

or

**** RETURN ONE COPY WITH REMITTANCE ****

Please make checks payable to:
Office of Conservation

and mail to:
Department of Natural Resources
Accounts Receivable
P.O. Box 44277
Baton Rouge, LA 70804-4277

** If you prefer to pay online, please do so at www.dnr.state.la.us following the Electronic Payment Procedure link on the SONRIS/2000 page.*

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